DCM41/DCP41 — DIRECT TAXES

Time : Three hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

1. Define the term Assessee.

2. What is meant by income?

3. What do you mean by perquisite?

4. What is Fair rental value?

5. What is business?

6. What is CII?

7. Mention the rules regarding deductions u/s 80GG.

8. What is set -off losses?

9. What is Tax Planning?

10. What is tax evasion?

SECTION B — (5 × 5 = 25 marks)

Answer ALL questions.

11. (a) Compare Previous Year with Assessment Year.

Or

(b) Mr. Jose a citizen of Japan, comes to stay in India from Japan in October. 2020. Prior to this, he has been visiting India for 3 months from January to March every year since 2015. Determine his residential status.

12. (a) Compute the taxable HRA:

Basic Pay Rs. 1,20,000, DA Rs. 24,000 Commission Rs. 6,000, HRA received Rs. 36,000 : Rent paid Rs. 4,000 pm in Chennai.

Or

(b) Compute NAV:

	Rs.
FRV	45,000
MRV	37,500
ARV	43,200
Municipal Taxes Paid	3,000

19. Compute taxable income of MrX from the details given below:

GTI (including LTCG Rs 60,000) Rs. 2,40,000

Amount spent for medical treatment of a dependent who is affected by severe disability Rs. 60,000

Payment of insurance premium by cheque towards the health of himself Rs. 12,000.

Donation to National Defence Fund Rs. 5,000

20. Write down the procedure for Computing tax liability of an individual.

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13. (a) Explain the general Principles of Computing income from business.

Or

(b) Compute depreciation from the given date for the AY 2021-22

Particulars	WDV On 01.04.2020	Addition	Rate By
Furniture	25,000	5,000	10%
Residential House	1,50,000	1,00,000	5%
Books	5,000	–	40%

14. (a) Compute the taxable capital gain from the particulars given below:

Net sale consideration of a residential house Rs. 17,00,000 (2.6.20) (CII, 301)

Cost of acquisition of house Rs. 3,00,000 (1.5.09) (CII.129)

New house acquired on 1.5.20 for Rs. 2,50,000

Or

(b) Mr.X. furnishes the following details:

Salary (Computed) Rs. 42,000

HP income (computed):

House 'A' Rs. 38,000 (income)

House 'B' Rs. 17,000 (loss)

House 'C' Rs. 21 000 (loss)

15. (a) Write down the procedure for e-filing of returns.

Or

(b) Distinguish between tax evasion and tax avoidance.

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. What is the scope of total income of a person under IT act?

17. Income details of Guru for the FY 2020-21 are as follows:

Salary — Rs. 5,000 P.M

DA — Rs. 2,000 P.M

EA — Rs. 300 P.M

Employer's contribution to RPF – Rs. 7,900 P.A

Interest credited to RPF @ 9.5% Rs. 1,000

CCA — Rs. 150P.M.

Medical Allowance Rs. 100 P.M

HRA — Rs. 600 P.M (Rent Paid Rs. 750 PM)

Calculate salary income for the A.Y 2021-22.

18. Compute business income from the P and L account given below:

	Rs		Rs
To General expenses	17,000	By Gross Profit	66,000
To Interest on Capital	2,000	By Profit on sale of car	15,000
To Salary to Proprietor	12,000	By Bad debts recovered (earlier allowed)	5,000
To Staff Salary	18,000	By Interest on securities	8,000
To Bad debts	2,000	By Dividend	8,000
To Fire Insurance (Stock)	1,500		
To Depreciation	3,000		
To Provision for Bad debts	4,500		
To Income Tax	5,000		
To Donation to a School	4,000		
To Car Expenses	3,000		
To Net profit	30,000		
	1,02,000		1,02,000